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The following report traces the position which the Communist Party of Chile (PCCh) took concerning the new economic bill proposed by Finance Minister Carlos Vial Espantoso.

1. Between 10 and 12 May negotiations took place between the Chilean government and the PCCh. The government, anticipating a close vote in the House of Deputies on Vial's economic bill, established contact with the Izquierda Democratica de Chile (IDECCh), the Communist-dominated political coalition, in order to secure IDECh votes. This contact was made between Fernando Maira Castellon, Radical Deputy, and Humberto Martonez Quezada, IDECh Deputy.
2. In return for the two IDECh votes in favor of the Vial bill, the IDECh demanded the following concessions from the government: the repeal of the anti-Communist law of Defense of Democracy; the resignation of the Minister of Labor, Ramon Plaza Monreal, and the immediate solution by the government of the pending labor strikes. The IDECh also attempted to convince the Popular Socialist Party to make the same demands on the government in return for their six votes in the House of Deputies. The Central Committee of the Popular Socialist Party, however, would not accept this proposition and decided to vote for the government's bill without making any conditions. This situation weakened the IDECh's position, but its two votes were still considered of such importance that President Gonzalez Videla instructed Fernando Maira to obtain, at the least, the IDECh's agreement to abstain from the voting. This agreement was reached on the basis of the government's promises to refrain from exercising actively its powers under the Defense of Democracy Law, and to study the possibility of including in the Cabinet a representative of the workers' unions.
3. The IDECh failure to vote for the Vial bill caused a violent attack on the Communists. The press attack on them was reportedly ordered by the government. The Junta Nacional de Empleados de Chile (JUNECh), at a meeting on 11 May, registered a strong criticism on the Communists' failure to favor the Employees' wage increases through the IDECh votes. Faced with this adverse criticism, the Political Commission of the PCCh held a meeting to

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discuss the Party's position. It was decided that, because of the violent opposition to the Communist stand on the Vial bill, the Political Commission would retract its former position and would back the bill in subsequent voting in the Senate. Among those attending the meeting of the Political Commission were reported to be: Miguel Concha Quezada, Rene Frias, Carlos Rosales Gutierrez, Volodia Teitelboim Volosky, Luis Reinoso Alvarez, Luis Valenzuela, Carlos Contreras Labarca, Jorge Giles Pizarro, Santiago Aguirre, and Pedro Diaz Iturrieta.

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